

True North Communications Inc.
Operations Analysis
Year Ended December 31,

	2000				1999				2000 Operations B/(W) 1999 Operations	
	Operations	Unusual	Deconsolidate Modem	External	Operations	Unusual	Deconsolidate Modem	External	\$	%
Commissions and Fees	\$ 1,528,305	\$ -	\$ 28,538	\$1,556,843	\$1,365,373	\$ -	\$ 74,041	\$1,439,414	\$162,932	11.9%
Operating Expenses:										
Salaries and employee benefits	897,038	-	17,851	914,889	828,659	-	42,774	871,433	(68,379)	-8.3%
Office and general expenses	435,033 (c)	-	13,628	448,661	396,914 (c)	-	24,819	421,733	(38,119)	-9.6%
Restructuring and other charges	-	16,910 (a)	-	16,910	-	75,354 (b)	-	75,354	-	n/a
Total operating expenses	1,332,071	16,910	31,479	1,380,460	1,225,573	75,354	67,593	1,368,520	(106,498)	-8.7%
Operating Income	\$196,234	(\$16,910)	\$ (2,941)	\$176,383	\$139,800	(\$75,354)	\$ 6,448	\$70,894	\$ 56,434	40.4%
Staff Cost Ratio	58.7%			58.8%	60.7%			60.5%		
O&G Expense Ratio	28.5%			28.8%	29.1%			29.3%		
Operating Margin	12.8%			11.3%	10.2%			4.9%		

(a) Represents \$17,500 Chrysler special charge taken in the 4th quarter and the reversal of \$590 excess 1999 restructuring reserves that were taken into income in the 3rd quarter.

(b) Represents restructuring and other charges, primarily severance and real estate costs.

(c) Includes additional amortization of intangible assets of \$14,585 in 2000 and \$12,495 in 1999 due to a change in accounting.